

Message Text

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73

ACTION EB-06

INFO OCT-01 ARA-06 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00

DOT-00 INR-05 NSAE-00 RSC-01 FAA-00 L-01 TRSE-00

FTC-01 H-01 DRC-01 /025 W

----- 001154

R 152151Z OCT 74

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 2366

INFO AMEMBASSY ASUNCION

AMEMBASSY BOGOTA

AMEMBASSY BUENOS AIRES

AMEMBASSY BRASILIA

AMEMBASSY CARACAS

AMEMBASSY LA PAZ

AMEMBASSY PANAMA

AMEMBASSY QUITO

AMEMBASSY SANTIAGO

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E.O. 11652: N/A

TAGS: EAIR, PE

SUBJECT: RESTRICTIVE FOREIGN AIRLINE PRACTICES

REF: STATE 196118; LIMA A-144 6/6/73

1. GOP IS COLLECTING MONEY FROM ALL FOREIGN OPERATORS SERVING LIMA IN ORDER TO OBTAIN "REAL COMPENSATION" FOR FIFTH FREEDOM TRAFFIC ORIGINATING IN LIMA. GOP BELIEVES IT IS ENTITLED TO COMPENSATION FOR SUCH SERVICES OFFERED BY FOREIGN CARRIERS IN EXCESS OF SERVICE OFFERED BY AEROPERU ON JOINTLY OPERATED ROUTES. ON ROUTES WHICH AEROPERU DOES NOT OPERATE, APPROXIMATELY 20 PERCENT OF THE NET OF FIFTH FREEDOM TRAFFIC IS COLLECTED.

BRANIFF NOW PAYS THIS COMPENSATION ONLY ON TWO FREQUENCIES TO BRAZIL AND ONE TO COLOMBIA WHICH WERE ADDED SUBSEQUENT TO ADOPTION OF NEW REQUIREMENT. BUT IT IS THE INTENTION OF GOP

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TO APPLY THE NEW REQUIREMENTS TO ALL BRANIFF FLIGHTS UNDER

TERMS OF THE NEW BRANIFF PERMIT TO BE ISSUED TO REPLACE THE OLD ONE WHICH WAS CANCELLED ALTHOUGH IT HAD ONE YEAR TO RUN. IT SEEMS LIKELY THAT NEW GOP POLICIES WILL RESULT IN CONTROL OF FREQUENCY AND POSSIBLY CAPACITY.

2. AEROPERU'S INITIAL CAPITAL OF \$/.200,000,000 WAS SUPPLIED BY THE GOP WHICH ALSO HAS BEEN GRANTING LOAN GUARANTEES FOR THE PURCHASE OF EQUIPMENT, MAKING IT POSSIBLE TO OBTAIN FINANCING AT RATES MORE FAVORABLE THAN THOSE AVAILABLE TO U.S. AIRLINES.

3. GOVERNMENT EMPLOYEES MUST TRAVEL ON AEROPERU UNLESS AUTHORIZED BY MINISTERIAL DECREE TO USE ANOTHER CARRIER.

4. AEROPERU IS PROHIBITED BY LAW FROM GIVING DISCOUNTS ON PASSENGER FARES, BUT IT IS DOUBTFUL THAT THIS LAW IS BEING ENFORCED. IT IS LIKELY THAT EXTENSIVE USE IS BEING MADE OF ISSUANCE OF FREE TICKETS FOR PROMOTIONAL AND OTHER PURPOSES.

5. AEROPERU PRESENTLY PROVIDES ITS OWN RAMP SERVICES WHEREAS ALL OTHER AIRLINES USING LIMA INTERNATIONAL AIRPORT ARE REQUIRED TO CONTRACT WITH CORPAC FOR SUCH SERVICE. IT IS UNDERSTOOD THAT AEROPERU IS ARGUING WITH CORPAC TO OBTAIN THE SERVICE AT 75 PERCENT DISCOUNT.

6. TO DATE, AEROPERU HAS PAID NOTHING TO CORPAC FOR AIR TRAFFIC CONTROL AND NAVIGATIONAL FACILITIES SERVICE, AIRPORT USE, GROUND RENT, OR OFFICE SPACE. AEROPERU IS ARGUING WITH CORPAC TO OBTAIN THE 75 PERCENT DISCOUNT PROVIDED FOR DOMESTIC CARRIERS UNDER LAW 15595. AEROLINEAS PERUANAS, S.A. (APSA), THE NOW DEFUNCT PERUVIAN CARRIER WHICH SERVED THE UNITED STATES, WAS GIVEN THIS DISCOUNT AND IT SEEMS POSSIBLE THAT AEROPERU WILL GET THE SAME TREATMENT.

7. BRANIFF PAYS U.S. \$0.46 A GALLON FOR TURBINE FUEL WHEREAS THE PRICE OF THE SAME FUEL TO PERUVIAN DOMESTIC CARRIERS IS U.S. \$0.14. AEROPERU IS ARGUING WITH PETROPERU TO OBTAIN THE LOWER PRICE ON ITS INTERNATIONAL FLIGHTS.

8. ADDITIONAL INFORMATION ON THE SUBJECTS UNDER DISCUSSION WILL
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BE SUPPLIED AS SOON AS AGREEMENTS ARE REACHED.
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Message Attributes

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